



STATE BOARD OF EQUALIZATION

June 14, 1957

[T]
Legal Department
XXX --- ---
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Attention: Mr. [M]

Gentlemen:

We confirm the understanding set forth in your letter of May 17 of one of your steamship company customers that state-administered local tax does not apply to any portion of a sale to the steamship of bunker fuel oil taken on at a port in a conforming county upon the basis that the vessel has enough fuel on board to cover its consumption in port and in traveling to the three-mile limit. The basis for exemption in this situation is Section 6385 of the Sales and Use Tax Law applicable to both the State sales tax and the state-administered local sales tax.

The exemption, however, can be claimed only under conditions specified in Section 6385 with which we understand you are quite familiar on account of the exemption claims made by carriers for purposes of the State sales tax.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:ds

cc: Los Angeles – Compliance